

18 - DEPARTMENT OF FINANCE & ADMINISTRATION

125 BUREAU OF TAXATION

Chapter 705 LOSSES OR DAMAGE IN TRANSIT, AND BY THEFT, FIRE OR OTHER CASUALTY

SUMMARY: Interprets the law as it pertains to Cigarette Tax liability on damaged, lost or destroyed cigarettes whether stamped or unstamped.

.01 Losses or Damage in Transit

- A. Tax will apply to cigarettes lost in transit, while in the possession of a common or contract carrier, where both origin and destination of the shipment are within this State, or where the loss can be determined to have occurred within this. State. Tax will be chargeable to the person having title to the cigarettes at the time of loss.
- B. Where cigarettes are damaged in transit, the consignee will be held liable for tax unless the cigarettes are returned to the consignor, or are destroyed under supervision of an employee of the Bureau of Taxation, in accordance with .08-125 CMR 701 .03 B. Damaged unstamped cigarettes transferred to the insurer or any nominee of the insurer must be stamped before being so transferred. No refund of tax will be made in the case of cigarettes so transferred.

.02 Stolen Cigarettes

Tax will apply to cigarettes stolen from any distributor or dealer, or otherwise unaccounted for. No refund of tax will be made in the case of such stolen or unaccounted for cigarettes.

.03 Losses or Damage by Fire or Other Casualty

No tax will apply to unstamped cigarettes totally destroyed by fire or other casualty, provided adequate substantiation can be made of such losses, and provided the Excise Tax Section, Bureau of Taxation, is notified in writing within 10 days of such destruction.

AUTHORITY: 36 M.R.S.A. § 4379

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